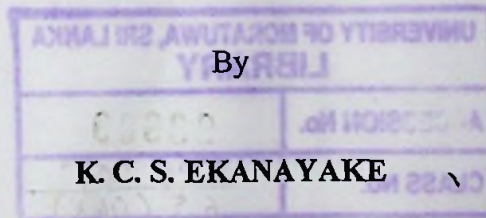


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**THE EFFECT OF SUPPLY CHAIN ORIENTATION AND
SUPPLY CHAIN MANAGEMENT ON BUSINESS PERFORMANCE:
AN EXTENDED SUPPLY CHAIN PERSPECTIVE**

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This thesis was submitted to the
Department of Management of Technology of the University of Moratuwa
in partial fulfillment of the requirements for
the Degree of Master of Science in Management of Technology



Supervised by:
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Department of Management of Technology
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DECLARATION

I hereby declare that this submission is my own work and to the best of my knowledge it contains no materials previously submit or written by another person, except where due acknowledgement is made in the thesis. I also declare that the intellectual content of this thesis is the product of my own work except to the extent that assistance from others in the project's design and conception or in style, presentation and linguistic expression is acknowledged.

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ABSTRACT

An increasing number of firms have seen Supply Chain Management (SCM) as a major component of their competitive strategy which enhances organizational productivity and thereby enables sustainable competitive advantage. But so far very few companies have succeeded in achieving competitive advantage through SCM. This clearly communicates the necessity of professionals engaged in managing the supply chain having a 'usable knowledge base' which can transform their traditional mindsets and help them to better equip with SCM tools. Mentzer *et al.* in 2001 and later in 2004 presented a conceptual map to address this need of having a proper conceptualization to SCM. In that they introduced a comprehensive conceptual model indicating the nature, antecedents, and consequences of the phenomena and a uniform definition to SCM. The model discusses the importance of SCO as an important antecedent to SCM, as managers first need specific behavioral guidelines within the firm's boundaries called supply chain orientation (SCO) to set SCM in motion. The study conducted in 2004 by Mentzer *et al.* confirmed the existence of the SCO-SCM path that leads to improved business performance. But they limited their study only to focal firms. The current research explored the possibility of validating the scenario; '*the greater the supply chain orientation of the individual supply chain members, the greater the degree of SCM and performance in the focal firm.*' The research found evidence that as suggested by Mentzer *et al.*, the network SCO does possess a positive effect on the focal firm's SCM and performance. In addition the study revealed that if firms in an extended supply chain possess a supply chain oriented culture it will directly affect the focal firm's performance positively while identifying several industry best practices in relation to SCO and SCM of the best performers.

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